

REMARKS/ARGUMENTS

This Amendment is in response to the Final Office Action of March 19, 2009, in which the Examiner (1) rejected claims 22, 24-31 and 33-38 under 35 U.S.C. 112, first paragraph, for failing to comply with the written description requirement, (2) rejected claims 22, 24, 25, 30-31 and 33-38 under 35 U.S.C 103(a) as being unpatentable over U.S. Patent No. 6,149,055 (“**Gatto**”) in view of U.S. Patent No. 5,650,604 (“**Marcous**”), and (3) rejected claims 26-29 under 35 U.S.C. 103(a) as being unpatentable over **Gatto** in view of **Marcous**, as applied to claims 22, 24-25, and further in view of U.S. Patent No. 5,770,844 (“**Henn**”).

Applicant has made a minor changes to claim 22 to provide consistency in the use of verbs in the functional recitation and to be consistent with corresponding features recited in claim 37. The claims otherwise remain as earlier presented.

Rejection under 35 U.S.C §112

The Examiner has rejected independent claims 22 and 37 (and their dependent claims) as failing to comply with the written description requirement under 35 U.S.C §112, on the basis that the recitation of the consumer “not having a relationship with a banking institution” is not described in the specification. The Examiner refers to the drawings (Fig. 1) as showing a “bank account” 104 (see page 2 of the Examiner’s Remarks). Applicant respectfully submits that the Examiner has overlooked features described in the Specification.

The Examiner’s attention is directed to the background in the Specification (e.g., page 2, lines 7-9), which refers the purpose of the invention in providing financial services “without requiring a traditional bank-customer relationship.” Other references to a “cash-based” consumer not having a relationship with a bank can be found at page 2, lines 22-23, page 5, lines 28, and page 7, lines 25-26. Thus it is clear from the Specification that embodiments of the invention are concerned with cash-based consumers that do not have a traditional banking relationship, and with their need for financial services. Rather than a bank, the relationship that each consumer has for purposes of providing financial services is with a Licensed Money Transmitter (page 4, lines 22-24; page 5, lines 20-30).

The reference to the bank account 104 (Fig. 2) is in connection with a bank into which funds may be deposited, but then instantly transferred to a non-banking account 102 that is established by a Licensed Money Transmitter for individual consumers, so that the individual consumers do not themselves have to be customers of a bank (see page 6, lines 21-29; page 7, lines 19-27).

Thus, the “not having a relationship with a banking institution” feature is in fact described in and supported by the Specification. Accordingly, Applicant respectfully submits that the present application does comply with the written description requirement under 35 U.S.C §112.

Rejections under 35 U.S.C §103

As mentioned in earlier Responses, and as explained in the Specification and in various papers filed by Applicant, Applicant’s invention is a method and system for issuing prepaid negotiable instruments by a non-banking institution. While many consumers use traditional banking relationships, there are some consumers in financial circumstances that make such relationships impractical or undesirable. This group of consumers is sometimes identified as part of a cash-based society, and they avoid traditional banking relationships because of worry about garnishments, inconvenience, or disrespectful service.

Embodiments of the invention address this problem by establishing an uninsured, prepaid account at a non-banking institution. The account is able to receive deposits of funds from or on behalf of the account holder. Funds may then be accessed from the prepaid account through the issuance of prepaid negotiable instruments.

Deposits are made into the prepaid account using a separate account at a banking institution (with whom the customer does not have a relationship). Such deposits made to the banking account are then automatically and immediately swept into the prepaid account where they can be accessed by the account holder as prepaid negotiable instruments.

None of the cited references disclose or suggest (either alone or as combined) Applicant’s claimed invention.

Applicant has previously pointed out the shortcomings of **Gatto**, namely that it merely discloses and suggests a conventional ATM system, and if anything it teaches away from the present invention by disclosing the use of ATMs in a traditional financial environment (and the selection of account transfers or other standard transactions by a user), rather than an arrangement (as implemented by Applicant's novel system and method) where deposits are made to an account at a banking institution and are then automatically "credited" or transferred (i.e., without user selection of the credit or transfer as disclosed in **Gatto**) to a prepaid account at a non-banking institution, where the prepaid account is not an FDIC insured account, and where funds are withdrawn only as negotiable instruments.

The Examiner has acknowledge the deficiencies in **Gatto**, by additionally relying on **Marcous**. As previously pointed out by Applicant, **Marcous** discloses ATM-to-ATM money transfers where a sender who has a card account (credit card, debit card, smart card or stored value card) may withdraw money and then have it deposited into a holding account where it can be withdrawn by a recipient (see col. 3, lines 59-63; col. 6, lines 62-67). However, the card account from which funds are transferred is not an account "maintained for the benefit of the account holder" of the prepaid account (i.e., the person who is withdrawing the money), and those funds are not "immediately and automatically credited to the prepaid account," as recited in claim 22. Rather, in **Marcous**, the card account belongs to and is for the benefit of the sender (not for a recipient of funds, such as the account holder of the prepaid account in Applicant's invention). Deposits to the sender's account are not immediately credited to a prepaid account (otherwise, the sender would never have any money in his/her credit card, debit card, smart card or stored value card account). Further, the arrangement in **Marcous** requires the sender to affirmatively request and select a transfer of money out of the card account to the holding account (col. 4, lines 42-44, and col. 5, lines 16-18), and thus it likewise teaches away from Applicant's invention and would not work for the purpose of Applicant's invention.

Since both **Gatto** and **Marcous** in fact teach away from the present invention, they are not properly combined. In combining prior art to determine obviousness, the operative question is "whether the improvement is more than the predictable use of prior art elements

according to their established functions.” *KSR Int'l v. Teflex Inc.*, 127 S. Ct. 1727, 82 USPQ2d 1385, 1396 (2007). **MPEP2141**. Applicant respectfully submits that the answer to this question is yes, and further submits that two references that teach away from an invention (as is the case here) would not be properly seen as providing a “predictable use of prior art elements according to their established functions.”

Even assuming (for purposes of argument) one were able to properly combine **Gatto** and **Marcous**, the combination would not teach the present invention. Applicant respectfully submits that, as combined, they would teach an ATM system where money could be transferred from one account to another account using a predefined transaction menu (see, e.g., col. 6, lines 60-64, and col. 9, lines 33-47 of **Gatto**), where an ATM user (a sender) could make selections at an ATM to transfer funds from a card account to a “holding account” (col. 6, lines 56-67 of **Marcous**), and where the funds in the holding account could then be accessed by a different party, i.e., a money transfer recipient (col. 9, lines 40-57 of **Marcous**). Unlike the present invention, there would be no deposit into a bank account for the benefit of a prepaid account holder, and there would be no communications link to a server to “immediately and automatically” credit those funds to the prepaid account for the benefit of the same prepaid account holder.

Applicant has noted the Examiner’s comment that no weight is given to the limitations in the wherein clause at the end of claim 22, because such clause is “directed to functional descriptive matter,” and that the clause is “a recitation of intended use.” The Examiner has cited no basis or authority for taking this position.

If the Examiner's reasoning were to be correct as to the wherein clause, it would permit an Examiner to ignore any functional limitation. Applicant defines its communications link as connecting the server system “for receiving deposits for the account holder and immediately and automatically crediting those deposits to the prepaid account.” Applicant further defines this feature in the wherein clause, by further reciting that funds deposited for the benefit of the account holder into the bank account “are then immediately swept into the prepaid account, and wherein the funds are accessed by the account holder only through the issuance of

prepared negotiable instruments". This is a definition of the communications link, and the data it provides the server system, according to what it does functionally, rather than what it is structurally. Such recitation is proper. *In re Swinehart*, 439 F.2d 210, 169 USPQ 226 (CCPA 1971). **MPEP 2173.05(g)**. It is not proper for an Examiner to ignore such a functional limitation. *In re Atwood*, 354 F.2d 365, 148 USPQ 203 (CCPA 1966).

Independent claim 37 recites subject matter similar to claim 22 is distinguishable over the references for the same reasons. Further, the dependent claim all recite limitations in addition to their respective parent claims and are allowable for at least the same reasons as stated above.

Additionally, the Examiner relies on **Henn** in rejecting dependent claims 26-29, by stating that **Henn** discloses an anonymous prepaid account, discloses a database that stores no personal identifying information, and discloses that a server system authorizes issuance of negotiable instruments without requiring identifying information. Applicant respectfully submits that the Examiner has misunderstood **Henn**. Contrary to the Examiner's characterization, **Henn** only refers to a chip card that does not furnish identifying information for a transaction record during a transaction. This is for the purpose of avoiding misuse of the identifying information (col. 1, lines 52-65). While the transaction record is thus made anonymous, there is no disclosure of the card and its underlying account being anonymous.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance and an action to that end is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,

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Appl. No. 09/713,770
Amdt. dated September 17, 2009
Amendment under 37 CFR 1.116 Expedited Procedure
Examining Group 3691

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